



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

Internal Audit Section

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FILE COPY

July 30, 2012

Rhonda Hamm-Niebruegge, Director of Airports
Lambert-St. Louis International Airport
P.O. Box 10212
St. Louis, Mo. 63145

RE: Review of Unison Consulting, Inc., Professional Advisory Services at Lambert St. Louis International Airport, Agreement No. 41187 (Project #2012-26)

Dear Ms. Hamm-Niebruegge:

Enclosed is the Internal Audit Section's report for the review of Unison Consulting, Inc, professional advisory services at Lambert-St. Louis International Airport. The review period for the contract was June 1, 2009 through April 30, 2012. A description of the scope of our work is included in the report.

Fieldwork was completed on May 30, 2012. Management's responses to the observations and recommendations noted in the report were received on June 4, 2012, and have been incorporated in the report.

This review was made under the authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with *the International Standards for the Professional Practice of Internal Auditing*.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Sincerely,

Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive

Enclosure:

cc: Gerard Slay, Senior Deputy Director Lambert-St. Louis International Airport
Susan Kopinski, Deputy Director Finance and Administration Lambert-St. Louis International Airport
Henrietta Brown, MBA Assistant Airport Director Finance and Accounting
Robert Salarano, Airport Manager, Airport Properties Section
James Fox, CPA Airport Audit Supervisor



CITY OF ST. LOUIS

CITY OF ST. LOUIS

**LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
UNISON CONSULTING, INC**

**REVIEW OF PROFESSIONAL ADVISORY SERVICES
FOR LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
AGREEMENT NO. 41187**

JUNE 1, 2009 THROUGH APRIL 30, 2012

PROJECT #2012-26

DATE ISSUED: July 30, 2012

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
REVIEW OF PROFESSIONAL ADVISORY SERVICES FOR
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
AGREEMENT NO. 41187
JUNE 1, 2009 THROUGH APRIL 30, 2012

EXECUTIVE SUMMARY

Purpose

The Internal Audit Section (IAS) has completed a review of professional advisory services at Lambert-St. Louis International between the City of St. Louis and Unison Consulting, Inc.,(Consultant) The purpose was to determine if the consultant have adequate controls in place to provide reasonable assurance of the following:

- Accomplishment of established objectives and goals.
- Compliance with applicable laws, regulations, policies, procedures and contract terms.
- Reliability and integrity of financial and operational information.
- Economic and efficient use of resources.
- Safeguarding of assets

Scope and Methodology

The review was limited to the review of the Consultant's compliance with the terms and conditions of the contract. Review procedures included inquiries of the management of the consultant, and the Airport Finance and Accounting Section department to evaluate the manner in which contract deliverables and compliance provisions are obtained. Total contract cost for the professional advisory services design/build services is \$800,000 through the fiscal year 2015. We performed testing of billings for the contractor and sub-contractors' of \$856,925 in the aggregate for the period June 1, 2009 through April 30, 2012.

Background

Agreement No. 41187 is an amendment to the contract commenced on January 18, 2002 between the Consultant and the City of St. Louis for professional advisory services to the Airport on an "as required" basis under the direction of the Assistant Airport Director Finance and Accounting at Lambert-St. Louis International Airport. The Consultant is to provide all necessary services, personnel, and supervision to perform the work and services contemplated therein. Some of the services provided by the Consultant have been: development and review of bond and lease agreements, passenger facility charges (PFC), fueling agreements and enplanement forecasting.

Exit Conference

The Consultant was offered the opportunity for an exit conference on May 30, 2012 however, they declined.

Conclusion

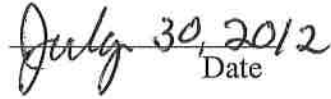
The Consultant should be commended for compliance with the insurance provisions of the contract and maintaining sufficient documentation of work completed for the Airport. Documentation to confirm professional advisory services provided during the review period was accessible to the Internal Audit Section.

The opportunity exists to ensure compliance with the agreement. The following is the observation that resulted from the review:

- Opportunity to provide documentation for direct reimbursable expenditures.

This observation is discussed in more detail in the *Detailed Observations, Recommendations and Management's Responses* section of this report.


Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive


Date

**CITY OF ST. LOUIS
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
REVIEW OF PROFESSIONAL ADVISORY SERVICES AT
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT
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OBSERVATIONS

Status of Prior Observations

This contract has not been previously reviewed by the Internal Audit Section; therefore, there were no prior observations.

Summary of Current Observations

The opportunity exists for the contractor to ensure compliance with terms and conditions for the professional architectural design services at Lambert St. Louis International Airport. The following is the observation that resulted from the review:

- Opportunity to provide documentation for direct reimbursable expenditures.

This observation is discussed in more detail in the *Detailed Observations, Recommendations and Management's Responses* section of this report.

Detailed Observation, Recommendation and Management Response

Opportunity To Provide Documentation For Direct Reimbursable Expenditures.

A random review of six invoices determined that detail records for meals, beverages, and non-hotel room rate expenses such as movies, were not documented to support items submitted for reimbursement.

Section 8 of the contract requires the Consultant to keep detailed time and expense reports for each project associated with the contract.

The Consultant's accounting records were incomplete.

The risk exists the City may have expended funds for items which were not reimbursable.

Recommendation

The Consultant should provide detail receipts for meals, beverages and non-hotel room rate expenditures submitted for reimbursement.

Management Response

Effectively immediately, our travel policy will be amended to require all incidental charges on hotel bills be supported with detailed receipts indicating what was purchased. The detailed receipt must be attached to the hotel bill and submitted with the expense report as complete documentation for all reimbursable expenses.

Unison management feels that by amending our current policy this will help to ensure that future expense reports will contain proper documentation as required under Section 8 of the contract.